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CIA Role in Arming Contras Seen Larger Than White House Has Acknowledged

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WASHINGTON – Information gathered by federal and congressional investigators suggests the Central Intelligence Agency played a larger role in recruiting, training and arming Nicaraguan rebels than the White House or the CIA has acknowledged.

Congressional and law enforcement sources said the Federal Bureau of Investigation early last year urged that a federal grand jury begin investigating allegations that CIA operatives were involved in hiring mercenaries and shipping weapons to the rebels, known as Contras, in violation of federal laws. But the U.S. attorney's office in Miami resisted such suggestions, and didn't launch a grand jury investigation until late in the year, according to law enforcement officials.

The new information indicates that as early as 1985, FBI and Justice Department investigators suspected that CIA operatives may have gone far beyond sharing intelligence with the Contras—an activity that Congress approved a year ago. President Reagan authorized the agency to spend $13 million carrying out the intelligence sharing, the Washington Post reported.

Now, independent counsel Lawrence Walsh and the Senate select committee investigating the Iran-Contra affair want to determine what role the CIA played in supporting the Contras and whether the Justice Department aggressively pursued its earlier investigations into the rebels' supply network.

Suppression and Delay

The Justice Department's handling of the early stages of those investigations, "at a minimum, gives the appearance of attempting to prevent certain information from coming to the fore," asserted Sen. Joseph Biden (D., Del.), chairman of the Senate Judiciary Committee, in an interview. At worst, Sen. Biden said, "someone tried to actively suppress an investigation."

In recent weeks, Acting CIA Director Robert Gates and other CIA executives have told working-level officers that the agency's role in the Iran-Contra affair was "marginal." The officials tried to reassure agency workers that the agency won't be blamed for what top CIA officials privately have called the Reagan administration's amateurish and undisciplined secret diplomacy.

FBI Director William Webster has told congressional investigators that he doesn't believe senior Justice Department officials acted improperly to thwart criminal inquiries.

To coordinate the distribution of CIA assistance, State Department "humanitarian" aid and private donations to the Contras, top CIA officials called a meeting of the agency's Central American station chiefs, according to intelligence sources. At the meeting, which was attended by the head of the CIA's Central American task force, the station chiefs were told they could share intelligence, but were warned they shouldn't do more.

One source, however, remembers the discussion this way: "The word was not to do A, B, or C. But some people got the clear impression that meant everything from D to Z was fair game."

Pressure on Costa Rica

One such official, intelligence sources said, was the CIA station chief in Costa Rica. Working closely with U.S. Ambassador Lewis Tambs and with Lt. Col. Oliver North of the National Security Council staff, the CIA officer pressured the Costa Rican government to permit the construction of an airfield for the Contras and to allow other Contra supply operations to use Costa Rican soil or airspace, according to these officials and diplomatic sources.

The CIA station chief in Costa Rica, encouraged by agency officials in Washington, began passing information to the Contras about coming supply flights, according to intelligence sources. These activities, intelligence sources said, were reported on CIA back channels, not in the agency's routine cable traffic. But the reports were directed to the attention of the CIA's director and its operations chief.

The intelligence sources said the president's Intelligence Oversight Board conducted a preliminary review last week of the Costa Rica station chief's activities on behalf of the Contras and concluded that while a number of them had been "imprudent," they probably didn't break any laws.

Intelligence sources say the CIA's top man in El Salvador, however, took a very narrow view of the agency's mandate during the station chiefs' meeting. Wary of a repeat of the 1984 scandal over the CIA's role in mining Nicaraguan harbors and preparing a guerrilla manual for the rebels, the official vowed to keep his distance from the Contras and told his colleagues he didn't even want to share intelligence information with them. Intelligence sources say he's kept both his job and his word.

Expulsion From Honduras

By last March, FBI agents working in several southern states and in Central America were investigating whether the CIA was involved with some of the Contras' backers in the U.S. Jack Terrell, a former mercenary who worked with an Alabama-based group that called itself Civilian Military Assistance (the name has since been changed to Civilian Materiel Assistance), told FBI and Justice Department investigators last March 25 that the CIA hired him in October 1984 to form a Green Beret-style special forces unit to fight for the Contras, investigators said.

During a nine-hour interview with those investigators, Mr. Terrell said he and other CMA leaders then met in Honduras with Enrique Bermudez, the military commander of the largest Contra group, the Nicaraguan Democratic Force. Ten mercenaries recruited by Mr. Terrell then flew to Honduras in mid-November 1984 and reported to Contra bases at La Quinta, outside the Honduran capital of Tegucigalpa, and at Las Vegas near the Nicaraguan border. They were expelled by the Honduran government before seeing any action, Mr. Terrell told FBI and Justice Department officials.

Law enforcement officials in Miami said they also have found that Cuban exiles with past and present CIA ties have been arming and training the Contras at least since 1981. But they said it isn't clear whether the Cubans did so at the behest of CIA officers or other U.S. officials. And they said it isn't known whether the Cubans reported their activities to CIA agents.

Arms Shipments in 1981

Max Vargas, a Nicaraguan exile in Miami, who has been identified by Justice Department officials as a CIA operative, has told investigators that he and his brother bought two AR-15 rifles at the Costa Gun Shop in Miami on Aug. 6, 1981, and sent them to Contra leader Fernando ("El Negro") Chamorro in Honduras that month. Mr. Chamorro's agent in Miami, Raul Arana, has told investigators that he flew several large arms shipments from Miami to Honduras in 1981.

Justice Department officials in Miami also have concluded that Bay of Pigs veteran Rene Corvo, the leader of a Miami-based Cuban exile group called Canac (for Nicaraguan Anti-Communist Aid Commit-

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tee), has raised funds and recruited mercenaries in Florida for the Contras.

FBI agents have been told that Mr. Corvo also shipped arms from the U.S. to the Contras. Investigators said Customs Department records show that on March 6 and June 13, 1985, Mr. Corvo chartered planes to carry cargo from Fort Lauderdale, Fla., to the Ilopango military airfield in El Salvador—which was used as a base for Contra resupply flights. But those records don't indicate whether any weapons were shipped on the planes.

Ranch Used by U.S. Military

Also, the CIA station chief in Costa Rica told law enforcement officials last year that until March 1984, the U.S. military used a ranch owned by John Hull, an American living in Costa Rica, to deliver equipment to the rebels. He told law enforcement officials that since then Mr. Hull had been providing the rebels with food, medicine, and other nonlethal supplies.

It isn't clear whether Mr. Hull was a CIA operative, a front for the CIA, or a private citizen with only incidental ties to the CIA station in Costa Rica. Investigators said Mr. Hull canceled a scheduled interview with FBI and Justice Department officials last March 3, after the U.S. consul general in Costa Rica, Kirk Kotula, advised him not to speak to the investigators without a lawyer.

Law enforcement officials said FBI agents worried early last year that the failure to begin a formal grand jury probe into alleged activities of CIA operatives supporting the Contras could damage the credibility of the bureau and the Justice Department.

Leon Kellner, the U.S. attorney in Miami, initially rejected the FBI's request for a grand jury probe as premature, according to investigators. But the U.S. attorney's office continued to gather additional information, and it began presenting evidence to a grand jury in Miami sometime last November or early December, law enforcement officials said.

Mr. Kellner, who has said that he recalls several conversations with senior Justice Department officials about certain aspects of the arms-smuggling investigation, has asserted that all of the earlier leads and allegations were aggressively pursued "without any interference from anyone from the outside" or from headquarters.

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